GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3274
ANSWERED ON:08.12.2000
RISING OIL IMPORT BILL
MADHAVRAO SCINDIA;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of FINANCE be pleased to state:

(a) whether the Finance Minister at the IMF meet at Prague made a plea for compensatory finance facility for the developing oil importing countries to over come the crisis arising from rising oil-import bills in the context of the enormous hike in international prices of oil;

(b) if so, the precise demand made by India; and

(c) the response of the IMF thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) : Yes, Sir.

(b) A strong case was made out for expanding the scope of the existing Compensatory Financing Facility (CFF) to assist those oil importing developing countries which need it in managing the extraordinary shock of hike in international oil prices.

(c) Though the International Monetary and Financial Committee (IMFC) in its communiquÃ© did not specifically address this issue, it mentioned in the context of enhanced Initiative for Heavily Indebted Poor Countries (HIPC) that `the Fund, through its facilities, may need to respond flexibly to the needs of members that arise from a sustained period of high oil prices`.